

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday October 7, 1976 CI NIDC 76-236C

State Dept. review completed

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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Thursday, October 7, 1976.

The NID Cable is for the purpose of informing senior US officials.

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THAILAND: Situation Report

25X1 [] //It is not yet clear whether the Thai military's assumption of power yesterday was an outright coup or a move invited by a frustrated and weary prime minister.//

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25X1 [] At the same time, military leaders are taking pains to convey an impression of an orderly change in government. They have reportedly agreed that Air Chief Marshal Kamon, Supreme Commander of the armed forces, will head an internal security force that will administer the country for about a month under the guidance of a military council led by Admiral Sa-ngat. After that a "reform government" is to administer the nation's affairs until a new constitution is drafted.

25X1 [] //The military undoubtedly believes it has the support of the King, who was outraged by reports yesterday of the crown prince being hung in effigy by student demonstrators.//

25X1 [] The Administration Reform Party has dissolved parliament and banned political parties by decree, but has pledged to respect the Thai people's "aspiration to preserve the democratic form of government." //By last night, Bangkok was quiet and Seni reportedly was cooperating with Admiral Sa-ngat in selecting members of the new military council to govern the country in the immediate future.//

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[redacted] One of the military administrators' first acts was to announce that all treaty commitments would be respected and good relations with all countries promoted. //Both Sa-ngat and Kamon favor close Thai-US military relations and were troubled by the recent US withdrawals. It is possible that the military leaders will downplay, if not reverse, the Seni government's emphasis on working out an accommodation with Vietnam.//

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[redacted] //Both Sa-ngat and Kamon have been regarded as non-political, highly professional military officers with standards of personal honesty [redacted] Their reputations will lend credence to Sa-ngat's public statement that he and his colleagues do not aspire to hold power for an extended period.// [redacted]

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LEBANON: Situation Report

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[redacted] Lebanese press reports yesterday said that leftist and Palestinian leaders--who had been expecting a resumption of the Syrian-Christian offensive against Alayh--had heard of the new strategy and were anticipating the opening of a major new front in the south.

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25X1 [] Leftist leader Kamal Jumblatt, who apparently fears that the Christians and Syrians may yet decide to attack his Druze stronghold at Alayh, announced yesterday that leftist-held territory surrounding the town had been declared a military zone and that no one would be allowed to enter or leave the area. Jumblatt probably has the forces necessary to carry out the order, which will sever one of the few remaining access routes to Beirut.

25X1 [] Jumblatt also announced that leftist "traitors" who have recently been in contact with the Syrians and Christians would be hunted down and punished. He apparently was referring to a delegation of Druze leaders from Alayh which went to Damascus early this week to appeal for restraint from both Syrian and Christian leaders. Other Druze leaders reportedly have been holding private talks with Christian Phalangist and Palestinian representatives on a proposal to make Alayh a neutral zone.

25X1 [] Jumblatt, who has been visiting foreign capitals for the past week, apparently fears that his traditional rivals within the Druze community will try to use the perceived threat of a Syrian-Christian attack into Druze territory to usurp his authority during his absence. Many Druze chieftains and their conservative followers have from the start opposed Jumblatt's militancy, but have continued their allegiance to him because he was able to limit their direct involvement in the fighting.

25X1 [] Now that the war is at their doorstep, some may be won over by Jumblatt's rivals, who have created at least the impression of trying to save the Druze community. []

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CHINA-UN: Foreign Minister's Speech

25X1 [] Chinese Foreign Minister Chiao Kuan-hua gave the most authoritative and detailed expression of China's views on foreign affairs since Mao's death when he reiterated Peking's long-standing positions on a broad range of international issues in a speech Tuesday at the UN General Assembly.

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[] The speech, garnished with frequent quotations from Mao, made it clear that anti-Sovietism remains central to Peking's perception of world affairs. Chiao's main theme appeared to be that no new departures in Chinese foreign policy could be expected as a result of Mao's death.

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[] Chiao outlined Peking's view of the rivalry between the US and the USSR in familiar terms, asserting that it is "bound to lead to war some day." Although both countries were criticized, by far the strongest language was saved for Moscow. Chiao described the Soviets as "peace swindlers" and the "most dangerous source of war," and claimed that Soviet "expansionist activities" were "all-pervasive."

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[] Chiao's criticism of the US was less direct and focused on Peking's view that the US is not doing enough to oppose the Soviets. After restating China's long-held position that US-USSR rivalry is centered in Europe, Chiao criticized "some people in the West" who are trying to redirect Moscow's attention toward China by recognizing the Soviet "sphere of influence" in Europe. He noted, however, that a more "realistic" appraisal of the Soviet "threat" was growing in the West.

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[] Chiao said that the Helsinki agreement last year had not hindered Moscow's attempts to increase its influence in Europe. He reiterated China's support for West European unity as a means of dealing with the USSR.

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[] Much of Chiao's relatively brief speech was directed toward third world audiences. He expressed support for southern African liberation movements, stressing armed struggle and--in contrast to last year's speech--making no direct reference to negotiations as a means of ending white rule.

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[] He claimed, however, that superpower "meddling" in southern Africa had complicated the situation, implying Chinese reluctance either to encourage or condemn the coming Rhodesian and Namibian negotiations. He did support decisions taken by the Organization of African Unity and the recent Nonaligned Conference, suggesting that China is prepared to endorse any position on the negotiations that is acceptable to the African "front-line" nations.

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25X1 [] Chiao stressed China's firm support for the Fretilin
25X1 insurgents in East Timor. This suggests Peking expects little
improvement in its relations with Indonesia for some time.
[]

USSR - WEST GERMANY: Reaction to Election

25X1 [] The Soviets have reacted with predictable satisfaction
to the narrow victory of the ruling coalition in the West German
election. No authoritative commentary has yet appeared, but the
media are taking the position that the outcome is not simply a
Social Democratic - Free Democratic victory, but a victory for
the policy of European "detente."

25X1 [] The Soviets have reason to be unhappy, however, with
the narrowness of the coalition's victory. Soviet diplomats ex-
pressed concern before the election that a shift to the right
resulting in a razor-thin majority for the coalition would in-
crease the leverage of the Free Democrats and their leader, For-
eign Minister Genscher, whom Moscow does not like.

25X1 [] Another Soviet concern is the durability of the coali-
tion. Although Genscher's pledge to remain in coalition with the
Social Democrats received extensive publicity both before and
after the election, the Soviets are aware of the Free Democrats'
long history of cooperation with the Christian Democrats before
they entered into their present partnership.

25X1 [] To appeal to the business interests that traditionally
back the Free Democrats, the Soviets, in one of their first com-
mentaries, stressed the "mutually beneficial" business coopera-
tion that has marked the coalition's tenure and held out the
prospect of the "capacious" Soviet market absorbing new, large
consignments of West German manufactures in exchange for fuel
and raw materials.

25X1 [] Looking beyond the immediate outcome of the election,
the Soviets have returned to the theme that they will do "every-
thing" to deepen "detente" and implement cooperation with the
West Germans. One vehicle to achieve this is the planned visit
of General Secretary Brezhnev. []

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EGYPT-LIBYA: Sadat's Speech

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[] Egyptian President Sadat yesterday publicly denied that Egypt has plans to invade Libya. He was speaking at a parade commemorating the anniversary of the 1973 Arab-Israeli war.

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[] War Minister Gamasy seemed to support Sadat's remarks when, in a separate speech, he lamented Egypt's inability to protect the front with Israel and at the same time to "paralyze the hand"--President Qadhafi's--"which reaches out to stab Egypt in the back."

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[] On the other hand, both Sadat and Gamasy put considerable stress on the danger of Qadhafi's subversive activities and on Egypt's right to protect itself. Sadat could justify a future attack on Libya as self-defense rather than as the "invasion" he says will not occur. []

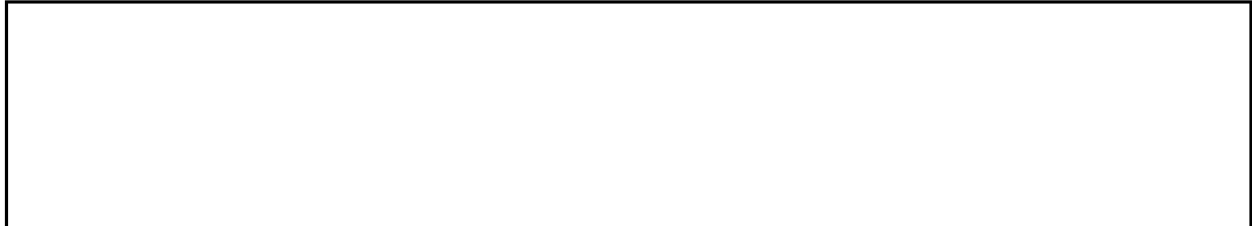
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USSR-YUGOSLAVIA: Tito's Health

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[redacted] Yugoslav President Tito's recuperation from his reported acute liver disease may extend well into December.

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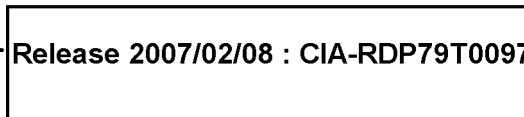
[redacted] Since Tito's illness was first announced on September 10, official estimates of the duration of his recuperation have gradually increased. The latest public announcement said he would be resting for three months. He was last reported to be in Belje, a small town in northeastern Croatia, but he may have returned to Belgrade last week.

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[redacted] Should Tito remain out of circulation through December, a rumored visit by Soviet General Secretary Brezhnev this fall might have to be postponed. Brezhnev will probably attend a meeting of the Warsaw Pact political consultative committee set for Romania in November or December. He may have wanted to arrange a stopover in Yugoslavia. [redacted]

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AUSTRIA: Minority Groups

[redacted] Austrian officials fear that rising tensions over a census of minority groups next month could lead to a wave of violence. There has been a marked increase in the tempo and severity of incidents in recent months, and the government reportedly is mapping new security measures for the weeks preceding the census.

25X1 [] Austria enacted new legislation this summer defining the rights of minorities guaranteed in the state treaty of 1955. At issue is the use of minority languages in public administration and schools, but most attention focuses on the government's requirement that a minority comprise at least 25 percent of a local population to justify bilingual road signs. The census, scheduled to be held on November 14, is to determine the precise size and location of minorities.

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25X1 [] Chancellor Kreisky's government has committed its prestige and \$43 million to the census, and will launch a nationwide information drive later this month to explain the need and purpose of the survey. The government is openly concerned that the census may fail, and the US embassy reports signs of growing concern over possible violence.

25X1 [] There are no signs that the Yugoslav regime is softening its inflexible stand on the Slovene issue in light of the potential for violence. Incidents in Austria several weeks ago drew Yugoslav complaints about police measures against the Slovenes.

25X1 [] Yugoslavia will probably use any buildup of security forces in neighboring Carinthia, where most of the Slovenes reside, to support its allegations that the Austrian government is acting in bad faith and suppressing Slovene nationalism.

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PORTUGAL: Economy

25X1 [] After an uncertain start, the Portuguese government is gaining some momentum in its efforts to improve the sagging economy.

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[] Last week the government approved a series of decrees designed to restore productivity by discouraging absenteeism and worker indiscipline. It also rescinded the law allowing only one labor confederation--the Communist-controlled Inter-sindical.

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[] The government has also initiated a program to return land in southern and central Portugal that had been illegally seized by leftists in the name of agrarian reform. The government's announced intention to use force if necessary has caused the Communists and the far left to back away from an open challenge thus far.

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[] Prime Minister Soares has gone to some lengths to reassure the left that the basic tenets of agrarian reform are not in question and the government is moving slowly in returning the land. After the first week of the five-week program, only the less controversial cases have been tackled and most of the land has been rented back to the government or to co-operatives by the original owners.

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[] Lisbon still has a long way to go in handling basic economic problems such as unemployment, inflation, and the balance-of-payments deficit.

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[] The government's efforts nonetheless may pay political dividends in local elections scheduled for December 12. The balloting will be viewed as a test of public confidence in Soares' minority Socialist regime after five months in office. If the Socialists' percentages fall much below the 35 percent they received in the national legislative election last April, Soares' leadership is likely to face a growing challenge and President Eanes might ask the Socialists to form a coalition with parties to their right.

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[] The other major parties are also preparing for the elections. Both the centrist Popular Democratic Party and the conservative Social Democratic Center are stepping up their criticism of government policies and programs. The opening of the new legislative session gives the parties a forum for their complaints.

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25X1 [] The Popular Democrats are trying hard to present a fresh image. They announced on Monday that the party is being renamed the Social Democratic Party, probably in an effort to appeal to non-Marxist socialist voters and to attract assistance from other European social democrats. The party hierarchy is being expanded to include both a president and a secretary general, possibly to divert attention from party head Sa Carneiro whose heavy-handed policies have caused friction within the party and with the Socialists.

25X1 [] The Communists, meanwhile, have formed a "People's United Election Front" to which they have invited all parties, candidates, and organizations. This move is apparently intended to convey the impression that Communist strength is more widespread than it actually is.

25X1 [] Other groups on the far left are unlikely to be much of a threat in the election since they are too small to compete in many races. They are also hurt by the fact that far-left figurehead Otelo de Carvalho, the runner-up in the presidential election in June, is still an active duty officer and therefore ineligible to run for local office. []

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CUBA: Plane Crash

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[redacted] Havana is likely to blame militant Cuban exiles for the crash yesterday afternoon of a Cuban airliner shortly after takeoff from Barbados. The US may also receive a share of the criticism for alleged links to exile groups.

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[redacted] Shortly before the crash the pilot reportedly radioed that the plane had experienced an on-board explosion. None of the 73 passengers and crew is believed to have survived.

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[redacted] Cuban exile terrorists have been linked to several bombings of Cuban facilities abroad in the past several months, including two unsuccessful attempts--in Panama and Jamaica--to blow up aircraft in flight.

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[redacted] Cuban Prime Minister Fidel Castro warned in a speech in June that Havana might respond in kind to anti-Cuban terrorist activity. Unless convincing evidence comes to light attributing the Barbados crash to accidental causes, Castro is likely to interpret the pilot's last message as proof that the crash resulted from an exile bomb.

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